



Ministry of Sustainability
& Climate Resiliency
Cayman Islands Government

Ministry of Sustainability
& Climate Resiliency

ANNUAL REPORT 2022

Cultivating a lasting legacy of sustainability in the Cayman Islands.



 Table of Contents

Index

Foreword	4
Introduction	6
About Us	8
Our Role & Purpose	8
Strategic Objectives	8
What We Do	9
Our Departments	10
Our People	11
Key Achievements	13
Summary Table	14
Ministry of Sustainability & Climate Resiliency	16
Community Development Highlights	20
Cayman Islands National Weather Service	21
Department of Environment	24
Hazard Management Cayman Islands	26
Financial Performance	31
Appendix I: Financial Statements	32

✓ Foreword

That is what **sustainability** means to me.
It's more than an abstract concept - it's a
contract between our generation and
the children of tomorrow.

Hon. G. Wayne Panton, JP, MP

Premier | Minister for Sustainability
& Climate Resiliency





The Ministry of Sustainability & Climate Resiliency was established in 2021 as part of the PACT Government's efforts to ensure the continued sustainable development of the Cayman Islands.

The definition of sustainable development my administration ascribes to is similar to that outlined in the 1987 Bruntland Commission Report: "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

This definition includes the important concepts of needs and limitations, but also introduced the idea that we have a collective responsibility to the generations who will follow ours.

That is what sustainability means to me. It's more than an abstract concept – it's a contract between our generation and the children of tomorrow.

The PACT government is committed to taking a sustainable approach to the social, environmental, and economic development of our Islands, ensuring a peaceful, prosperous future for the generations of Caymanians to come.

As this report demonstrates, the staff of the Ministry, the Cayman Islands National Weather Service, the Department of Environment and Hazard Management Cayman Islands have been working diligently over the past year to advance national opportunities for sustainable development.

Key highlights from my perspective as Minister of Sustainability & Climate Resiliency include the successful completion of the Cayman Islands Climate Change Risk Assessment, the achievement of two grants from the Resilience, Sustainable Energy and Marine Biodiversity Programme (RESEMBID) totalling more than €1.2 million to improve energy efficiency in public sector buildings and National Housing Development Trust homes, and the commencement of the five-year review of the Cayman Islands National Energy Policy.

I am also proud of the positive, community development impact the Ministry has had over the course of its first full year of operations through the National Tree Planting Programme, sponsorships of environmental youth leaders and non-profit organisations, and the provision of emergency hurricane supplies to members of our community in need. Sustainability is about balancing people, planet and prosperity and the Ministry is truly leading by example in this regard.

In closing, I would like to thank all of the Ministry team members, including the leadership and staff of each department, for your hard work and dedication towards our mission - cultivating a lasting legacy of sustainability in the Cayman Islands.

Introduction

Cultivating a lasting legacy of sustainability in the Cayman Islands.

Jennifer M. Ahearn, AICP, JP
Chief Officer | Ministry of Sustainability & Climate Resiliency



As Chief Officer, I am pleased to present the second annual report for the Ministry of Sustainability & Climate Resiliency. This report outlines our Ministry's important work that was initiated and completed in our first full year of operations, including the on-the-ground efforts of our departments – the Cayman Islands National Weather Service, Department of Environment, and Hazard Management Cayman Islands.

The Ministry of Sustainability & Climate Resiliency was formally established following the 2021 elections by the Cabinet of the Cayman Islands Government to prepare our country for the complex risks and realities of climate change and meet the needs of the present without compromising future generations through a balanced approach to environmental stewardship, social development and economic growth.

Over the past 12 months, the Ministry and our Departments have been working diligently to advance the strategic goals and objectives aligned with our mission under the 2022-2024 Strategic Policy Statement. Thanks to the hard work of the Ministry team members, including all the staff in each department and unit, we have achieved several important milestones across our policy focus areas of environment, resilience and energy.

Throughout the year, the Ministry and our

departments have continued to demonstrate a commitment to breaking down silos, supporting Government-wide human resource transformations, and building capacity through learning and development.

This year was not without its climate-related challenges - such as the largescale Sargassum stranding in the North Sound - which have required multi-agency collaboration and innovative thinking to address. Without a national strategy for climate adaptation and mitigation, these issues are expected to increase.

At the heart of our dedication to building a lasting legacy of sustainability in the Cayman Islands is our mission as a world-class civil service: 'Making the lives of those we serve better'. We know that unsustainable development and climate change are risks, not just to our physical environment, but to the lives and livelihoods of current and future generations. Achieving a balance between our environment, economy and society is essential to ensuring we can maximise the benefits of sustainable development to benefit our people both now and in the future.

As you explore our 2022 Annual Report, I hope you will see this dedication to people-driven, future-focused policy work evident throughout our Ministry's achievements.

"Sustainability means we are ensuring a peaceful, prosperous future for the generations of Caymanians to come."



Our Role & Purpose

Following the General Elections held in April 2021, the newly formed PACT Government created a new Ministry of Sustainability and Climate Resiliency (the “Ministry”) under the leadership of the Premier, Honourable G. Wayne Panton. The Ministry’s mission is to cultivate a lasting legacy of sustainability in the Cayman Islands by achieving environmental, social, and economic balance, with a view to maximising benefits across all three areas of this triple bottom line to make the lives of current and future generations better.

Strategic Objectives



Address the existential threats posed by climate change through an updated national Climate Change Policy and Implementation Plan.



Maintain and enhance the ecosystem services provided by our unique natural environments.



Support the transition to renewable energy through the National Energy Policy and programmes designed to save energy and reduce cost of living.



Ensure our Islands are prepared to proactively respond to disasters and emergencies in order to preserve lives and livelihoods.



Facilitate the implementation of the Cayman Islands Government’s National Solid Waste Management Strategy through the ‘ReGen, Cayman’s Energy & Recycling Centre’ project.



Facilitate the development of a framework to enable holistic, balanced decision-making across the three pillars of sustainable development.



Departments and sections under the Ministry include Policy and Administration, the Department of Environment, Hazard Management Cayman Islands, and National Weather Service. Additionally, the National Trust for the Cayman Islands is an NGO under the Ministry.

What We Do

The Ministry is responsible for the strategic development of programmes and policies to ensure the Cayman Islands is best placed to solve current challenges and meet present needs without compromising future generations.

Concentrating on strategic projects, programmes and policies, the Ministry's goal is to build capacity to anticipate climate risks and hazards, absorb shocks and stresses, reshape and transform development pathways, and conserve environmental systems to preserve strategically important ecosystem services for the benefit of present and future generations.

The Ministry provides strategic and policy direction, advice, funding and governance support for environmental protection and enhancement, health and safety measures in preserving the Cayman Islands environment for future generations.

Core functions

- Preparation of submissions to Caucus and Cabinet for decisions and/or presentations;
- Preparation and dissemination of correspondence on behalf of the Ministry and Minister;
- Processing of new, or Amendments to, Acts or Regulations
- Issuance of Coastal Works Permits;
- Issuance of Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) Permits.

Governance

The following laws and policies govern the activities of the Ministry:

- The National Conservation Act, 2013
- The Endangered Species (Trade and Transport) Act
- National Weather Service Act, 2010
- The Disaster Preparedness and Hazard Management Act (2019 Amendment)
- The National Energy Policy (2017 – 2037)



Our Departments





Cayman Islands National Weather Service

The Meteorological Office was established in the early 1980s under the Civil Aviation Authority, responsible for monitoring meteorological events and the provision of meteorological information. The Meteorological Office was officially recognised as the Cayman Islands National Weather Service (CINWS) on 01 June 2010. The National Weather Service Act, 2010 governs the operations of the NWS.

The staff currently operates a service for 17 hours daily with a 24-hour service envisaged for the future. The service's operation includes an Upper-Air Station, Surface Weather Observations, Climatology, forecasting, and Aviation weather briefing.



Department of Environment
Cayman Islands Government

Department of Environment

The mission of the Department of Environment (DoE) is to facilitate responsible management and sustainable use of the natural environment and natural resources of the Cayman Islands; through environmental protection and conservation, wise use, scientific research, and public education.

The DoE is the leading Government agency responsible for the management and conservation of the environment and natural resources. The DoE works to facilitate responsible management and sustainable use of the natural environment and resources of the Cayman Islands through various environmental protection and conservation programmes.

National Conservation Council

The membership of the National Conservation Council is established in Schedule 2 to the National Conservation Act, 2013, and consists of five statutory voting members, representing the Departments of Environment, Planning, and Agriculture, in addition to a voting member representing the National Trust for the Cayman Islands; and eight voting members appointed by the Cabinet, of which at least four must have relevant scientific or technical expertise. Council members serve two- year terms; the current Council were appointed in 2021 until 2023.



Hazard Management Cayman Islands

Hazard Management Cayman Islands (HMCI) has overall responsibility for the national Comprehensive Disaster Management programme, including preparedness, response, mitigation, and recovery. HMCI is also responsible for maintaining the National Hazard Management plans for threats such as hurricanes and earthquakes.

HMCI is responsible for the National Emergency Operations Centre (NEOC), which is activated to direct and coordinate the response to national threats.

The Disaster Preparedness and Management Act (2019 Amendment) is the primary guiding legislation establishing Hazard Management Cayman Islands and outlining the responsibilities for the comprehensive management of disasters that may befall the Cayman Islands.

Our People

We believe that our staff expertise is key to our future success. This year, the Ministry's team grew by four full-time staff members and the Ministry took on its first summer work experience students.

The Ministry remains committed to supporting change initiatives within the broader Civil Service and breaking down silos across the Cayman Islands Government to better serve the people of the Cayman Islands.

Ministry Leadership

Hon. G. Wayne Panton, JP, MP
Premier and Minister for Sustainability
& Climate Resiliency

Jennifer Ahearn, AICP, JP
Chief Officer

Troy Jacob
Acting Deputy Chief Officer

Department Leadership

Danielle Coleman
Director, HMCI

Gina Ebanks-Petrie
Director, DoE

John Tibbetts
Director General, CINWS



Key Achievements





Highlights of Key Achievements

- Launched the Jubilee Tree Planting Project in January 2022.
- Number of Coastal Works Permits approved: 14
- Number of CITES Permits issued: 28
- Commenced the five-year review of the National Energy Policy.
- Obtained two grants from the Resilience, Sustainable Energy and Marine Biodiversity Programme (RESEMBID).
- Completed the Cayman Islands Climate Change Risk Assessment 2022.
- Protected an additional 871 acres under the National Conservation Act, enhancing terrestrial protected areas across all three islands.
- Launched the National Emergency Notification System (NENS), that allows direct communication with all subscribed users in the Cayman Islands in the event of a national emergency or disaster.
- Meagre Bay Pond Management Plan approved by Cabinet.
- More than 40,000 corals treated for Stony Coral Tissue Loss Disease.
- Hosted 63rd Caribbean Meteorological Council in the Cayman Islands, including visiting meteorological professionals from around the region.
- Alien Invasive Species Regulations approved and gazetted.
- Completed Turtle Friendly Lighting retrofits for six properties, including Government House.
- Provided emergency support through Hurricane Ian.
- Completed repairs to the Kearney Gomez Doppler Radar and dome.
- Hosted a panel discussion on invasive species management as part of the Island Innovation 2022 Virtual Island Summit.

Department of Environment

- Protected an additional 871 acres of terrestrial habitats across all three islands.
- Reviewed 89 new nominations for protected areas and provided a recommendation to the National Conservation Council for acquisition and protection.
- Alien Invasive Species Regulations approved and gazetted.
- Continued to address alien species threats within the Sister Islands through Darwin grant with Royal Society for the Protection of Birds partners.
- Completed flood risk modelling and training in partnership with the Joint Nature Conservation Council (JNCC).
- Continued the Green Iguana Culling Project; a total of 85,848 iguanas were culled in 2022.
- Meagre Bay Pond Management Plan approved by Cabinet.
- Species Conservation Plans for critically endangered, rare plants *Verbesina caymanensis* and *Aegiphila caymanensis* approved by Cabinet.
- Celebrated 20 years of the Grouper Moon Project; approximately 5,000 groupers counted at the Little Cayman spawning site.
- The Stony Coral Tissue Loss Disease response team of DOE staff and interns treated over 40,000 corals during the year and organised a public education event (Coral Fest) in August.
- Commenced the Darwin Grant-funded Cayman Deep 'See' Project with partners Marine Conservation International and Beneath the Waves. Project aims to better document the deep-sea resources of the Cayman Islands at depths between 50 – 200 metres (165-6500 feet).
- The DoE team reviewed 603 Planning applications, 21 Coastal Works applications and 37 other section 41 consultations.
- DoE staff and volunteers recorded a record number of total nests in 2022, with a total of 858 nests.
- Completed Turtle Friendly Lighting retrofits for six properties.
- Wildlife Interaction Zone Fee Waiver approved by Cabinet in March 2022.

Hazard Management Cayman Islands

- Launched the National Emergency Notification System (NENS), that allows direct communication with all subscribed users in the Cayman Islands in the event of a national emergency or disaster.
- Increased shelter capacity.
- Flood Sensor Network Pilot Project commenced.
- Recruited Business Continuity Officer and Preparedness and Planning Officer.
- Commenced preliminary review of HMCI legislation.
- Emergency support through Hurricane Ian.

National Weather Service

- Continued site plan re-configuration for the National Weather Service Headquarters in collaboration with the Royal Cayman Islands Police Service.
- Developed 'on-call' schedule for CINWS staff.
- Completed repairs to the Kearney Gomez Doppler Radar and dome.
- Hosted 63rd Caribbean Meteorological Council in the Cayman Islands, including visiting meteorological professionals from around the region.





Ministry Key Achievements

Key achievements 2022

Ministry Core Team

In 2022, the Ministry expanded its staff compliment and made significant progress on projects related to sustainable energy, climate resiliency, protecting the Cayman Islands' unique terrestrial and marine environments, and building capacity for proactive disaster and emergency preparedness.

Key highlights from the Ministry's first full year of operations include:

Climate Change Risk Assessment

In May 2022, the Ministry hosted a technical stakeholder workshop, a community townhall meeting and a public knowledge, attitudes and practices (KAP) survey as part of the Climate Change Risk Assessment for the Cayman Islands. Over the course of the two-day, technical workshop, approximately 60 stakeholders representing public sector, non-governmental agencies and academia reviewed, scored and ranked the draft risk register based on magnitude, proximity and confidence of available scientific data.

The public survey received more than 1,000 responses before it closed, confirming a high level of awareness and concern about climate change in the Cayman Islands community. Most local residents consider climate change 'very' or 'extremely important' to them personally, and are 'very' or 'extremely concerned' that climate change will impact them in their lifetimes.

The final evidence report, expected to be released in early 2023, will inform the development of an updated national Climate Change Policy.

RESEMBID Grants for Energy Efficiency

In June 2022, the Ministry received two grants totalling more than €1.2 million to improve energy efficiency in public sector buildings and Government-built affordable homes from the Resilience, Sustainable Energy and Marine Biodiversity Programme (RESEMBID).

RESEMBID, funded by the European Union and implemented by Expertise France - the development

cooperation agency of the Government of France - supports sustainable human development efforts in 12 Caribbean Overseas Countries and Territories (OCTs) - Aruba, Anguilla, Bonaire, British Virgin Islands, the Cayman Islands, Curaçao, Montserrat, Saba, Sint Eustatius, Saint Barthelemy, Sint Maarten and Turks and Caicos.

The Cayman Islands Energy Efficiency Programme aims to improve energy efficiency and facilitate retrofits for both existing public sector buildings and National Housing Development Trust (NHDT) homes to reduce greenhouse gas emissions and provide cost savings for homeowners and the Cayman Islands Government.

National Energy Policy Five-Year Review

In collaboration with the Energy Policy Council, the Ministry is leading a five-year review of the National Energy Policy and Implementation Plan. Working alongside a consulting agency, the five-year review will review and assess the current Policy, review global best practices, evaluate existing targets, make recommendations for capacity building, and undertake stakeholder engagement and public consultation.





Jubilee Tree Planting Programme Launched

In February 2022, the Ministry launched an ambitious national tree planting project to create a living legacy that honours The Queen's leadership and benefits future generations. The programme's goal is to plant 70 native or endemic and fruit trees, including 70 Mahogany trees, in each constituency across all three islands. Trees planted over the course of the year are registered on a digital map for posterity. Following The Queen's passing, the tree planting programme shifted focus to plant trees in memory of Her Late Majesty.

In September 2022, Rotary Central Cayman Islands donated funds to facilitate the purchase of native, endemic and fruit trees for donations to constituencies, schools and non-profit organisations across Grand Cayman.

As part of this programme, the Ministry planted trees at the National Trust for the Cayman Islands headquarters and at the Mastic Trail in partnership with the National Trust, Rotary Central Cayman Islands, and the Cayman Islands Garden Club and Cayman Islands Regiment.

Climate Change Policy Development Begins

In parallel with the Cayman Islands Climate Risk Assessment, a technical working group spearheaded by the Ministry is progressing a parallel workplan for updating the 2011 Draft Climate Change Policy, working closely with the Climate Change Risk Assessment stakeholder group.

Cabinet Approves Protection Plans

In 2022, the Cayman Islands Cabinet approved a Protected Area Management Plan for Meagre Bay Pond in Grand Cayman, a Species Conservation Plan for the critically endangered Sybil's Crownbeard (*Verbesina caymanensis*) plant found only in Cayman Brac, and a Species Conservation Plan for the critically endangered *Aegiphila caymanensis* plant, found only in Grand Cayman.

Duty Waived for Energy Efficiency Products

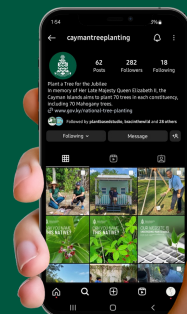
In November 2022, the Government approved duty waivers on several energy efficient devices and building materials, including: spray polyurethane foam insulation, polyurethane foam sheets, low e-film for windows, smart thermostats and smart home energy monitors.

Stakeholders Reengaged for Plastics Ban

In 2022, the Ministry conducted targeted engagement with private and public sector representatives to progress efforts to prohibit the importation of certain single-use plastic products into the Cayman Islands. The Ministry will provide an updated recommendation for Cabinet's consideration and approval based on these discussions.

BY THE NUMBERS: Ministry Communications

-  The Ministry published 36 press releases in 2022.
-  Ministry LinkedIn page launched in February 2022. 604 followers at 31 December 2022.
-  Ministry Facebook page launched in February 2022. 142 followers at 31 December 2022; Reach 3,289.
-  National Energy Policy Facebook page: 650 followers at 31 December 2022; Reach 4,607.
-  National Energy Policy Instagram page: 700 followers at 31 December 2022; Reach 639.
-  National Tree Planting Facebook page launched in January 2022. 205 followers at 31 December 2022; Reach 21,301.
-  National Tree Planting Instagram page launched in January 2022. 241 followers at 31 December 2022; Reach 1,558.



Sargassum Stranding Sparks Innovative Response

In response to an unusual stranding event which affected the North Sound in Grand Cayman in August 2022, the Cayman Islands Government trialed an initiative to pump the Sargassum out of the water and transport the seaweed to the George Town Landfill. The trial removed more than 2,880 square feet of seaweed before it became too degraded, and the teams on the ground learned a lot about the parameters for success using this method. Whether this methodology is used again will depend on the unique circumstances of the incident, and the potential impacts on the Cayman Islands natural environment, communities and tourism product.





Community Development Highlights

- In November 2022, the Ministry collaborated with the National Trust for the Cayman Islands to donate and plant 50 native and endemic trees at the southern trailhead of the historic Mastic Trail. Volunteers from Rotary Central Cayman Islands and the Cayman Islands Regiment also assisted in the tree planting.
- In May 2022, the Cayman Islands hosted Assistant Director with the International Monetary Fund and co-founder of Rebalance Earth Dr. Ralph Chami for a week-long visit. During his visit, Dr. Chami explored highlights of the Cayman Islands' marine and terrestrial environments, met with members of Cabinet and parliamentary secretaries, presented to local students at a special youth-focused event, and presented on nature-based markets at a luncheon for local business and community leaders.
- The Ministry sponsored local youth leader Gabriella Watson to participate in Camp 2030; UNITE 2030's global, in-person convening, which unites the world's top young changemakers to solve the world's most pressing challenges using the framework of the United Nations Sustainable Development Goals. Founded in 2016, UNITE 2030 is a registered non-profit organisation that aims to empower the next generation of young leaders to end poverty, inequality, injustice, and climate change by the year 2030. Every year, UNITE 2030 equips the world's top young leaders by building community, building capacity, and building partnerships.
- To help Grand Cayman residents prepare for Hurricane Ian in September 2022, the Ministry facilitated the urgent procurement of emergency supplies for distribution to vulnerable members of the local community.
- In June 2022, the Ministry unveiled a new, solar-powered EnGo Planet bench in George Town. In partnership with the George Town Revitalisation project and SALT Technology Group, the bench harnesses the power of the sun to provide free wifi and cell phone charging. The bench is now part of the renovated Cardinall Avenue.
- The Ministry hosted a World Café style event to bring together key local stakeholders to identify opportunities for accelerating environment, social and economic sustainability across the Cayman Islands. The half-day event was facilitated by a group of visiting professors from the University of Saskatchewan and University of Regina in Canada.



Hazard Management Cayman Islands

Key Achievements 2022

Hazard Management Cayman Islands

In 2022, the Hazard Management Cayman Islands (HMCI) progressed several key initiatives to ensure the Cayman Islands are better prepared for all hazards.

Key highlights include:

National Emergency Notification System

In March 2022, the Cayman Islands Government launched the National Emergency Notification System (NENS) mobile app. The NENS app allows direct communication with all subscribed users in the Cayman Islands in the event of a national emergency or disaster.

Developed by Hazard Management Cayman Islands (HMCI) in collaboration with key local and regional stakeholders, NENS is a free mobile application that delivers emergency alerts directly to subscribers by email or SMS text. Residents and visitors can download the free app on their phones by going to nens.gov.ky.

The first test case for NENS took place as part of CARIBE WAVE, a regional exercise to develop and improve emergency responses to a simulated tsunami event.

The Cayman Islands was one of several Caribbean countries that took part in the 2022 exercise, which is coordinated by the Intergovernmental Oceanographic Commission (IOC) of the United Nations Educational, Scientific, and Cultural Organization (UNESCO) and the U.S. National Oceanic and Atmospheric Administration (NOAA).

CERT Training Continues

Two separate Community Emergency Response Team training sessions were provided in May and August, and resulted in an additional 47 volunteers being added to the CERT programme. There are currently 7 active CERTs established in the Cayman Islands.

Flood Sensor Network Pilot Project

In 2022, HMCI launched the Internet of Things (IoT) flood sensor project to help provide improved insight into the flood threat which is critical in the context of climate change and rising seas in our low-lying Islands. The IoT local sensor network will consist of water level detectors and rain gauges transmitting data to cloud servers. Using predetermined alarm thresholds, low-cost software will automatically recognise the threat of flooding which will then be used to notify the public of potential flooding ahead of time.

Hurricane Preparedness and Response

Average tropical cyclone activity was recorded in 2022: There were 14 named storms, with eight becoming hurricanes and two developing into major hurricanes. The Cayman Islands National Emergency Operations Centre (NEOC) was activated for two tropical cyclone threats in 2022.

In September 2022, Hurricane Ian passed the Cayman Islands as a Category 1 Hurricane. The Cayman Islands experienced no loss of life and only minor damage was recorded to a few coastal properties from storm driven waves.

Ian maintained its major hurricane status while crossing Cuba and further strengthened to a very intense and powerful Category 4 Hurricane. Hurricane Ian made landfall in Florida as a Category 4 Hurricane causing the deaths of 146 people in the state and resulting in power outages for 2.4 million people.

Towards the end of October, the NEOC was activated and a Tropical Storm Watch was issued for the Cayman Islands. A southerly shift in the forecast path of the storm decreased the risk to the Cayman Islands and the All Clear was issued on 31 October.



Capacity Building for HAZMAT Response

In 2022, HMCI began the process of setting up a multi-sectorial Hazardous Materials (HAZMAT) Technical Working Group (HMTWG) to develop a system wide approach to ensure the safe importation, transportation, storage, use and disposal of HAZMAT related substances; as well as the development of emergency procedures and emergency response protocols for HAZMAT related incidents.

HMCI commissioned a specialist HAZMAT Assessment Team who primarily deliver training on behalf of the UK National Chemical Emergency Centre, to visit the Cayman Islands to carry out an assessment of our current capability to respond safely to HAZMAT related emergency incidents and develop a HAZMAT First Responders Course for delivery to emergency first responders in the first quarter of 2023.

Integrating the Private Sector in Disaster Management

In November 2022, HMCI participated in the "Integrating Private Sector on Multi-Hazard Early Warning Systems' Governance and Actions" Conference in Grenada. The conference was sponsored by the Regional Office for the Americas and the Caribbean of the United Nations Office for Disaster Risk Reduction (UNDRR) and the network of Caribbean Chambers of Commerce (CARICHAM).

At the conference, HMCI representative Simon Boxall shared how the Cayman Islands has benefited greatly from the involvement of the private sector in activations and this was especially apparent during the pandemic, through the input of the Economic Continuity Emergency Support Team (EST) in the daily meetings of the NEOC which was stood up for over one hundred days during the COVID-19 pandemic.

Tactical Command Development Training

In 2022, HMCI partnered with UK based Acton Chase Associate to provide Tactical Command training to improve the overall knowledge, skills and ability of NEOC Cluster Leaders and their Deputies.

The course is part of a plan to transition the Cayman Islands National Response mechanism from its current structure, to one that incorporates UK Concept of Operations and Joint Emergency Services Interoperability Principles (JESIP) methodology. Topics covered include the role of Tactical Commanders, Command and Control mechanisms and leadership decision making.

Caribbean Community Risk Information Tool Workshop

In November 2022, HMCI attended the Caribbean Community Risk Information Tool (CCRIT) Workshop in Trinidad, which was organized by the Caribbean Disaster Emergency Management Agency (CDEMA). The focus of the workshop was to explore the benefits of Geospatial Information Systems to accurately map Qualitative Community based data.

Working With Vulnerable Groups

Over the course of 2022, HMCI held 12 meetings with the Older Person's Council and Disabilities Council, Red Cross, Department of Children and Family Services, Health Services Authority (EMS and Mental Health) in an effort to advance the support and intervention mechanisms to assist the elderly and persons with disabilities in disasters and serious hazard threats.

Presentations were made to the East End and North Side elderly community groups and with their feedback, a draft Hazard Awareness and Preparedness Guide for the Elderly was produced towards the end of 2022. Over the course of the year, 100+ Medic Alert Kits were also distributed to seniors.



Cayman Islands National Weather Service

Cayman Islands National Weather Service (CINWS)

With several severe weather systems occurring during 2022, CINWS again demonstrated the importance of weather forecasting, early warning systems, and adequate research.

Key highlights include:

Weather Observing & Forecasting

The CINWS continued to monitor and report of meteorological conditions taken from the Owen Roberts and Charles Kirkconnell International Airports and the use of automatic weather stations and rain gauges around the Cayman Islands. This includes the production and issuing of meteorological forecasts for the Cayman area.

Radar and Dome Repaired

The Kearney Gomez Doppler Radar was restored to full working order following repairs conducted by a visiting expert from LEONARDO Germany in July 2022. Repairs were also completed to the radar dome in September 2022.

The weather radar went offline in October 2021 due to issues with the back-up generator, damage to the dome resulting from Tropical Storm Grace, and a failed radar part.

New Weather Headquarters in Progress

In 2022, CINWS continued efforts to reconfigure the site plan for the planned Cayman Islands National Weather Service Operation and Research Centre in collaboration with the Royal Cayman Islands Police Service.

The planned headquarters will ensure CINWS staff have the working conditions and equipment necessary to continue to provide timely, accurate forecasts, advisories and warnings for the country.

63rd Caribbean Meteorological Council

The 63rd Session of the Caribbean Meteorological Council (CMC63) was hosted by the Cayman Islands Government between 24-25 November 2022 in Grand Cayman.

The 63rd Council focused on enhancing the capability of CMO Member States to deliver authoritative, accessible, user-oriented information and services and to ensure a sustainable observation network to underpin those services.

Delegates to the Session included Ministers, Permanent Secretaries, and Directors with responsibility for meteorology, CARICOM Secretariat, Météo-France, Caribbean Disaster and Emergency Management Agency (CDEMA), The University of the West Indies, the Caribbean Development Bank, and senior representatives from global agencies such as the World Meteorological Organization (WMO), International Civil Aviation Organization (ICAO), the World Bank, and other important stakeholders.

On-Call Schedule Developed

In 2022, CINWS developed an on-call schedule for staff to better facilitate the provision of 24-hour weather monitoring and forecasting - services of particular importance during severe weather events.

AWOS Business Case Development

In 2022, CINWS continued efforts to progress a business case for expanding the Automatic Weather Observation System (AWOS) and marine buoys. The AWOS and weather buoys provide important meteorological and maritime data. Once complete, the network will include stations in Cayman Brac and Little Cayman, as well as all districts of Grand Cayman.



Department
of Environment

Department of Environment

In 2022, the Department of Environment (DoE) progressed several programmes, projects and initiatives to facilitate the responsible management and sustainable use of the natural environment and the natural resources of the Cayman Islands.

Key highlights include:

More Terrestrial Protections Established

An additional 871 acres of ecologically and culturally significant habitats across all three islands were approved for protection under the National Conservation Act in 2022.

The DoE also reviewed and evaluated 89 new nominations for protected areas, and provided a recommendation to the National Conservation Council on Crown-owned parcels to designate protected and private-owned parcels to purchase and protect.

Alien Species Regulations Gazetted

In December 2022, the (Alien Species) Regulations 2022 were came into effect under the National Conservation Act. The new regulations introduce a prohibited species list, outline the distinctions between domestic and feral animals, and further define the procedures and allowable actions to control feral animals and other alien species to reduce the threat to our native and endemic plants and animals.

Sister Islands Biosecurity Project

A three-year project to strengthen biosecurity in the Cayman Islands - particularly Cayman Brac and Little Cayman - continued in 2022 with efforts to manage invasive, alien vertebrates which are causing catastrophic native species declines. The programme is funded through a Darwin Plus grant and supported by the Royal Society for the Protection of Birds.

Green Iguana Culling Project

In April 2022, the DoE awarded the contract to continue the culling programme to manage the impacts of highly invasive green iguanas in Grand Cayman. A total of 85,848 iguanas were culled in 2022, compared with 87,361 in 2021. Approximately 59% of the 2022 total number were hatchlings compared with 50% in 2021.

Grouper Moon Celebrates 20 Years

The Grouper Moon Project - a conservation science partnership between Reef Environmental Education Foundation and the DoE with scientists from Scripps Institution of Oceanography at UC San Diego and Oregon State University - celebrated 20 years in 2022. The programme aims to study Nassau grouper (*Epinephelus striatus*), a social and ecological cornerstone of Caribbean's coral reefs. This year, oapproximately 5,000 groupers counted at the Little Cayman spawning site.

BY THE NUMBERS: National Conservation Act Section 41 Consultations



661

APPLICATIONS

In 2022, the DoE reviewed a total of 661 development applications, including 603 Planning Applications, 21 Coastal Works Applications and 37 other Section 41 Consultations.



2

ENVIRONMENTAL IMPACT ASSESSMENTS REQUIRED

In 2022, the DoE conducted five EIA Screening Opinions. EIAs were required for two projects: the extension of the East-West Arterial highway to Hutland Road, and a new quarry adjacent to Meagre Bay Pond Protected Area.



Stony Coral Tissue Loss Disease Response

The Stony Coral Tissue Loss Disease (SCTLD) response team of DoE staff and interns treated more than 40,000 corals over the course of the year.

The DoE also hosted scientists and members of government environmental agencies from jurisdictions throughout the Caribbean at the Coral Conservation in the Overseas Territories workshops held in the Cayman Islands in August 2022. The DoE also used the opportunity to host its inaugural Coral Fest educational event to help the community learn more about local coral reef ecosystems.

Flood Risk Modelling Training Completed

The Joint Nature Conservation Committee (JNCC), supported by the Conflict Stability and Security Fund (CSSF) is supporting the Cayman Islands Government to assess how nature can support disaster resilience.

As part of this project, JNCC developed a model to assess the vulnerability of the Cayman Islands to storm surge and inland flooding, and the role and value of natural capital in mitigating the impacts. In 2022, the DoE completed training in the models used and produced a report on the efforts in partnership with JNCC.

WIZ Fee Waiver Approved by Cabinet

To support the financial recovery of watersports businesses impacted by the COVID-19 pandemic, in 2022 the Cayman Islands Government agreed to waive permit fees for watersports operators with expired Wildlife Interaction Zone (WIZ) permits who applied for a new licence before 31 July 2022.

Cayman Deep 'See' Project Launched

Launched in March 2022, the Deep 'See' Cayman project uses deep sea baited remote underwater video (BRUV) cameras to film species at two depths. The project is being funded through a Darwin Plus grant.

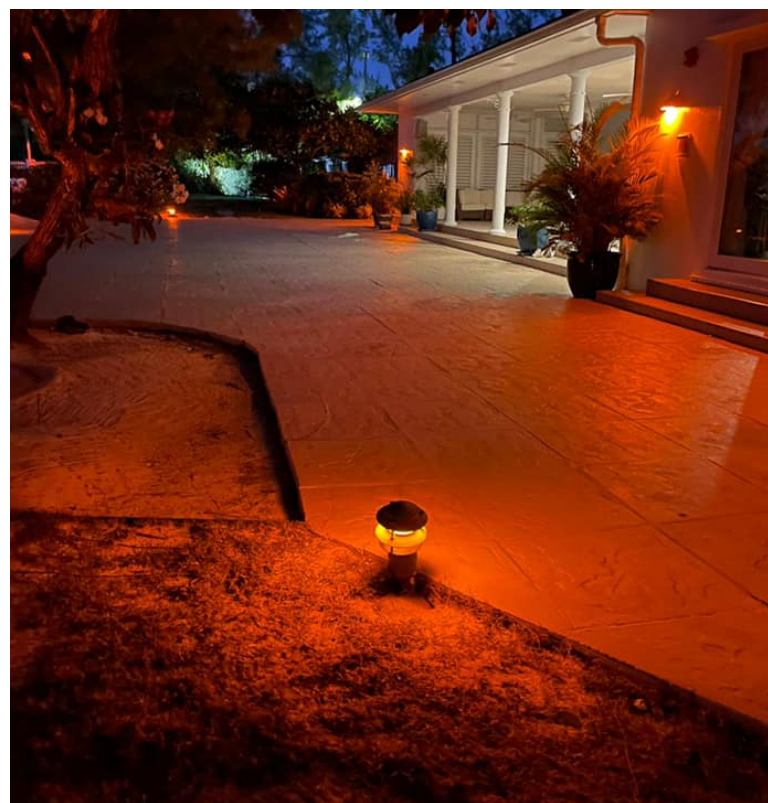
Delivered in partnership with Marine Conservation International and Beneath the Waves, the Deep 'See' Project aims to obetter document the deep-sea resources of the Cayman Islands at depths between 50 – 200 metres (165-6500 feet).

Turtle Nesting Monitoring Programme

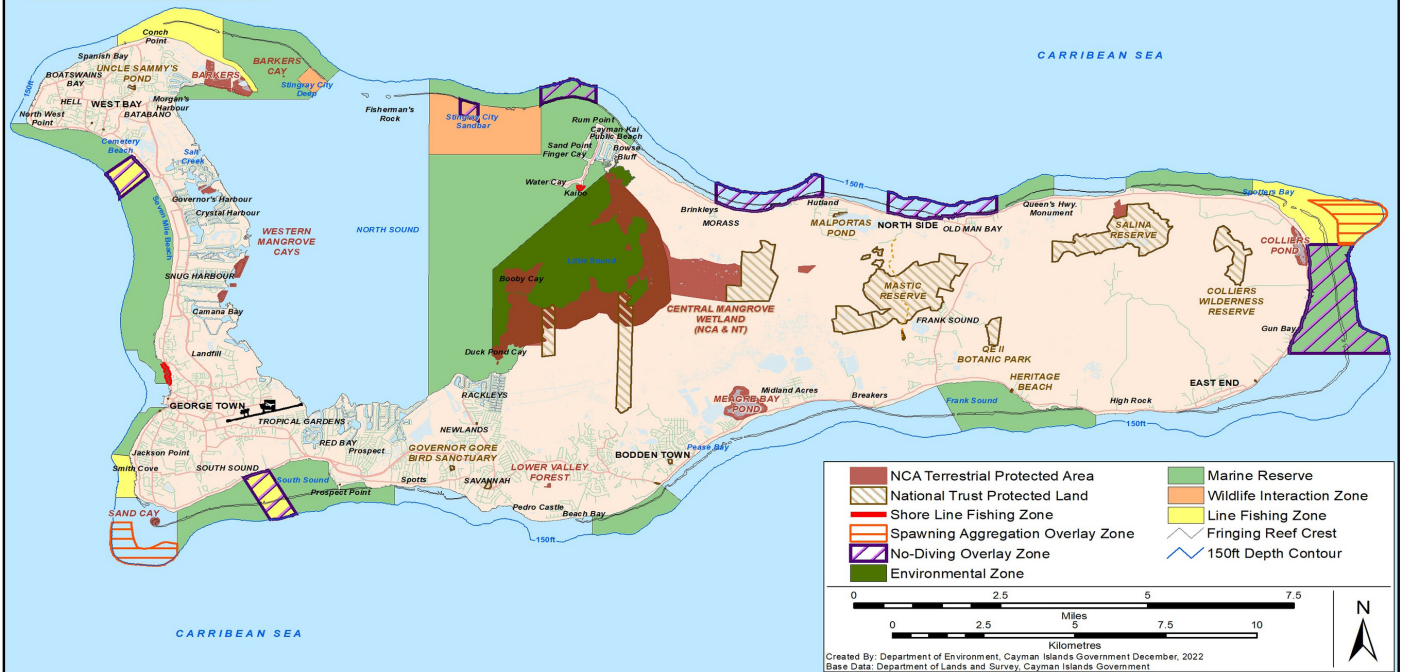
DoE staff and volunteers recorded a record number of total nests in 2022, with a total of 858 nests which is 169 nests more than the previous record year of 2017.

Turtle Friendly Lighting Retrofit Programme

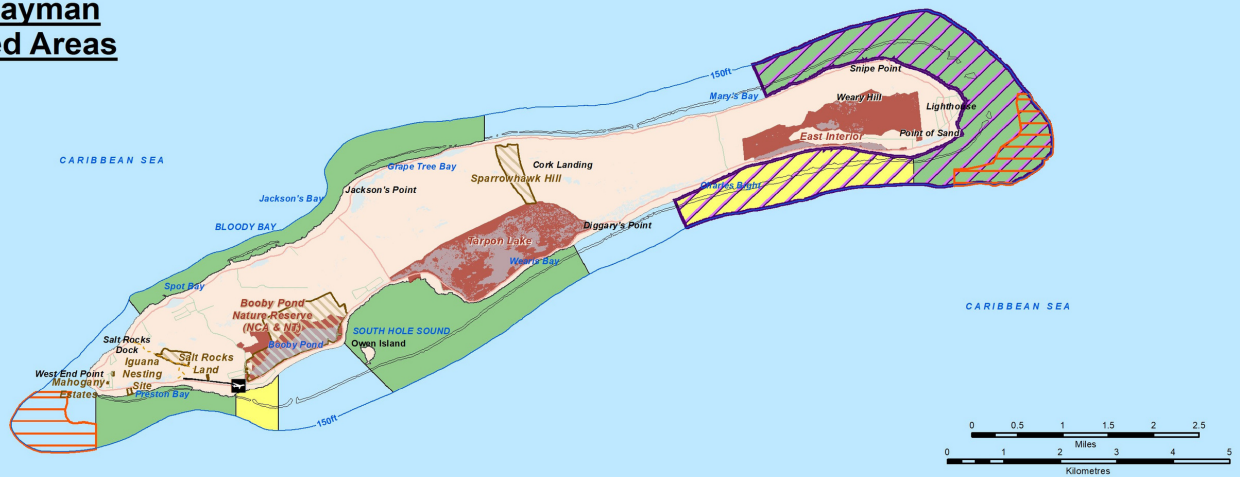
The business case for Phase 2 of the DoE's Turtle Friendly Lighting Retrofits Project was approved. In 2022, six properties completed turtle friendly lighting retrofits, five more signed agreements and are awaiting products to arrive, six other properties are in early lighting plan stages. Additionally, expressions of interest were obtained for the first phase of properties in Little Cayman and Cayman Brac for high density nesting areas.



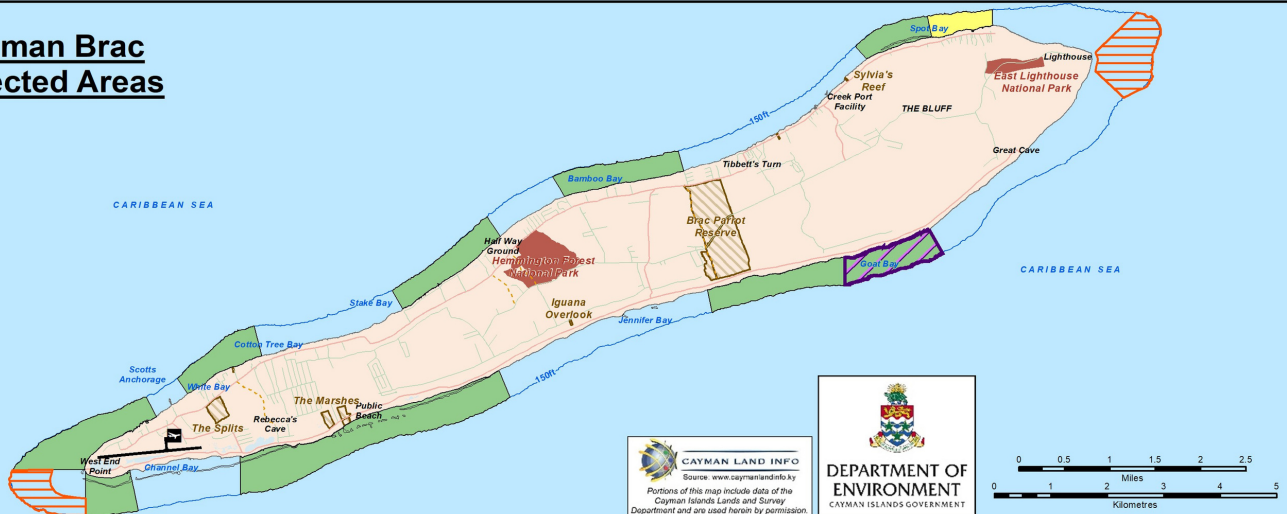
Grand Cayman Protected Areas



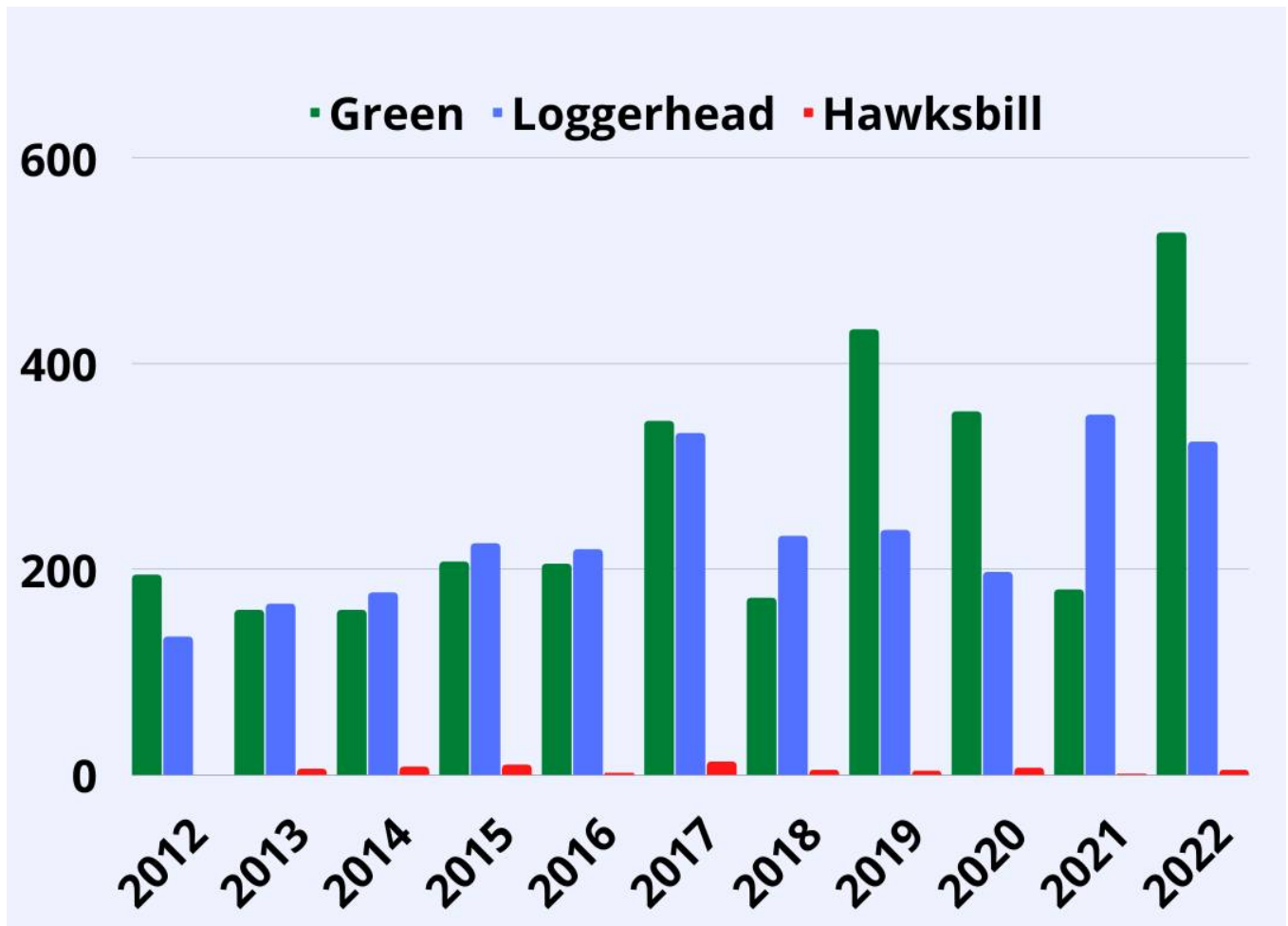
Little Cayman Protected Areas



Cayman Brac Protected Areas



Total Number Of Turtle Nests



Across the three Cayman Islands there were 858 turtle nests recorded in 2022 (528 green turtle nests, 324 loggerhead nests and 6 hawksbill nests). This is a whopping 169 more nests than the previous record season in 2017.



Financial Performance



The Ministry SCR ended the 2022 financial year with expenditures totalling \$12,199,000 and a surplus of \$507,000. The audited financial statement report is an appendix to this document and provides additional details on the entity's results for the year ending 31 December, 2022.



Appendix I

Financial Statements



GOVERNMENT OF THE CAYMAN ISLANDS

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st DECEMBER 2022**

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY**Financial Statements for the Year ended 31 December 2022****CONTENTS**

	Page
Statement of Responsibility for the Financial Statements	2
Auditor General's Report	3-4
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes in Net Worth	7-8
Statement of Cash Flows	9
Notes to the Financial Statements	10-37



MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY

Cayman Islands Government
Government Administration Building
Grand Cayman, Cayman Islands

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of Sustainability and Climate Resiliency in accordance with the provisions of the *Public Management and Finance Act (2020 Revision)*.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Act (2020 Revision)*.

As Chief Officer, I am responsible for establishing; and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by the Act, and properly recorded the financial transactions of the Ministry of Sustainability and Climate Resiliency.

As Chief Officer and Chief Financial Officer we are responsible for the preparation of the Ministry of Sustainability and Climate Resiliency financial statements, representation and judgements made in these statements.

The financial statements fairly present the financial position, financial performance and cash flows of the Ministry of Sustainability and Climate Resiliency for the financial year ended 31 December 2022.

To the best of our knowledge we represent that these financial statements:

- (a) Completely and reliably reflect the financial transactions of the Ministry of Sustainability and Climate Resiliency for the year ended 31 December 2022;
- (b) fairly reflect the financial position as at 31 December 2022 and performance for the year ended 31 December 2022;
- (c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board. Where guidance is not available, the financial statements comply with International Financial Reporting Standards (IFRS) Accounting Standards issued by the IFRS Board and the International Accounting Standards Board.

We also accept responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorized by law and properly record the financial transactions of the Ministry of Sustainability and Climate Resiliency.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.

Jennifer M. Ahearn
Chief Officer

Date: 30 April 2023

Krista Seymour-Mohammed
Chief Financial Officer

Date: 30 April 2023



Phone: (345) - 244-3211
 Fax: (345) - 945-7738
 AuditorGeneral@oag.gov.ky
 www.auditorgeneral.gov.ky

3rd Floor, Anderson Square
 64 Shedden Road, George Town
 P.O. Box 2583
 Grand Cayman, KY1-1103, Cayman Islands

AUDITOR GENERAL'S REPORT

To the Members of Parliament and the Chief Officer of Ministry of Sustainability and Climate Resiliency

Opinion

I have audited the financial statements of the Ministry of Sustainability and Climate Resiliency (the "Ministry"), which comprise the statement of financial position as at 31 December 2022 and the statement of financial performance, statement of changes in net worth and cash flows statement for the year ended 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 10 to 37.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ministry as at 31 December 2022 and its financial performance and its cash flows for the year ended 31 December 2022 in accordance with International Public Sector Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Ministry in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

As outlined in Note 23 of the financial statements, the Cabinet of Ministers authorized the reallocation of \$21,682,008 of the Ministry's entity-approved budget to the executive under section 11(5) of the Public Management and Finance Act (2020 Revision) ("PMFA") for exceptional circumstances. A Supplementary Appropriations Bill for the reallocation was not introduced in Parliament by 31 March 2023 as required by sections 11(6) and 12(3) of the PMFA. My opinion is not qualified with respect to this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Ministry's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Ministry or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Ministry's financial reporting process.

AUDITOR GENERAL'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of section 60(1)(a) of the *Public Management and Finance Act (2020 Revision)*. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Angela Cullen, CPFA
Acting Auditor General

30 April 2023
Cayman Islands

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
STATEMENT OF FINANCIAL POSITION
AS AT 31 December 2022
(Expressed in Cayman Islands Dollars)

GOVERNMENT OF THE CAYMAN ISLANDS						
STATEMENT OF FINANCIAL POSITION						
AS AT 31 DECEMBER 2022						
Prior Year Actual Restated CI\$000		Note	Current Year Actual CI\$000	Original Budget CI\$000	Final Budget CI\$000	Variance (Original vs Actual) CI\$000
	Current Assets					
897	Cash and cash equivalents	2	745	1,314	1,314	569
954	Trade Receivables	3	2,785	-	-	(2,785)
187	Other Receivables	3	452	-	-	(452)
60	Prepayments		121	-	-	(121)
2,098	Total Current Assets		4,103	1,314	1,314	(2,789)
	Non-Current Assets					
4,393	Property, plant and equipment	1(g)4	4,063	29,924	3,153	25,861
96	Intangible Assets	5	75	529	529	454
4,489	Total Non-Current Assets		4,138	30,453	3,682	26,315
6,587	Total Assets		8,241	31,767	4,996	23,526
	Current Liabilities					
-	Trade Payables	6	120	-	-	(120)
373	Accruals and other liabilities	6	1,261	-	-	(1,261)
-	Unearned Revenue	19	563	-	-	(563)
162	Employee entitlements	7	136	345	345	209
420	Repayment of surplus	8	507	-	-	(507)
955	Total Current Liabilities		2,587	345	345	(2,242)
955	Total Liabilities		2,587	345	345	(2,242)
5,632	Net Assets		5,654	31,422	4,651	25,768
	Equity					
4,699	Contributed Capital		4,852	31,422	4,651	26,570
786	Revaluation reserve		786	-	-	(786)
147	Grant Reserve		16	-	-	(16)
-	Prior period accumulated surplus/(deficit)		-	-	-	-
5,632	Total net assets/equity		5,654	31,422	4,651	25,768

The accounting policies and notes on pages 10-37 form an integral part of these financial statements.

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Prior Year Actual CI\$000		Note	Current Year Actual CI\$000	Original Budget CI\$000	Final Budget CI\$000	Variance (Original vs Actual) CI\$000
	Revenue					
5,274	Sales of goods & services	9	12,658	12,927	12,631	269
94	Donations		50	-	-	(50)
5,368	Total Revenue		12,708	12,927	12,631	219
	Expenses					
3,117	Personnel costs	10	6,998	7,609	7,514	611
1,493	Supplies and consumables	11	4,502	4,552	4,352	50
35	Leases	11	74	81	80	7
210	Depreciation and amortization	4 & 5	498	685	685	187
1	Litigation costs		127	-	-	(127)
4,856	Total Expenses		12,199	12,927	12,631	728
	Other Gains/(Losses)					
1	Net gains on financial and non-financial instruments	12	(2)	-	-	2
513	Surplus for the period/ year		507	-	-	(507)

The accounting policies and notes on pages 10-37 form an integral part of these financial statements.

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

	Note	Contributed Capital \$'000	Revaluation Reserve \$'000	Accumulated Grant Reserve \$'000	Accumulated Surplus/ (deficits) \$'000	Total Net worth \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig. vs Actual) \$'000
Balance at 30 June 2021		-	-	-	-	-	-	-	-
Prior Year Adjustments		-	-	-	-	-	-	-	-
Restated balance		-	-	-	-	-	-	-	-
Changes in net worth for 2021									
Transfers in due to reorganisation		4,013	786	-	-	4,799	4,754	4,754	(45)
Equity Investment from Cabinet		739	-	-	-	739	3,308	3,328	2,569
Net revenue / expenses recognised directly in net worth		4,752	786	-	-	5,538	8,062	8,082	2,524
Creation of Grant Reserve Restated	16	(53)	-	147	(93)	1	-	-	-
Repayment of Surplus to Cabinet Restated	16	-	-	-	(420)	(420)	-	-	
Surplus for the period 2021		-	-	-	513	513	-	-	
Total recognised revenues and expenses for the period		4,699	786	147	-	5,632	8,062	8,082	2,430
Balance at 31 December 2021		4,699	786	147	-	5,632	8,062	8,082	2,430

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

	Contributed Capital \$'000	Revaluation Reserve \$'000	Accumulated Grant Reserve \$'000	Accumulated Surplus/ (deficits) \$'000	Total Net worth \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig. vs Actual) \$'000
Balance at 31 December 2021 (Restated)	4,699	786	147	-	5,631	4,435	4,435	(1,196)
Prior Year Adjustments	(67)	-	-	-	(67)	-	-	67
Restated balance 31 December 2021	4,632	786	147	-	5,565	4,435	4,435	(1,129)
Changes in net worth for 2022								
Transfer in of leave balance	4	-	-	-	4	-	-	(4)
Prior Year Adjustments	-	-	-	-	-	-	-	-
Grant reserve used in year	-	-	(131)	-	(131)	-	-	131
Equity Investment from Cabinet	216	-	-	-	216	26,987	216	26,771
Net revenue / expenses recognised directly in net worth	220	-	(131)	-	89	26,987	216	26,898
Repayment of Surplus to Cabinet	-	-	-	(507)	(507)	-	-	507
Surplus for the year 2022	-	-	-	507	507	-	-	(507)
Total recognised revenues and expenses for the period	220	-	(131)	-	89	26,987	216	26,898
Balance at 31 December 2022	4,852	786	16	-	5,654	31,422	4,651	25,768

Equity investments to the Ministry of Sustainability and Climate Resiliency during the financial year consisted of funds related to the purchase of computer and communications equipment, boat engines, emergency relief equipment and works relating to the Department of Environment's Cayman Brac Building.

The accounting policies and notes on pages 10-37 form an integral part of these financial statements.

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Prior Year Actual		Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
CI\$000		CI \$'000	CI \$'000	CI \$'000	CI \$'000
	Cash flows managed on behalf of Cabinet				
	Operating Activities				
	<i>Cash received</i>				
25	Sale of goods and services - third party	92	-	-	(92)
4,374	Outputs to Cabinet	10,803	12,927	12,631	2,124
-	Interest received	-	-	-	-
-	Other Income	702	-	-	(702)
4,399	Total cash received	11,597	12,927	12,631	1,330
	<i>Cash used</i>				
(3,031)	Personnel costs	(6,890)	(7,609)	(7,514)	(719)
(1,267)	Supplies and consumables	(4,478)	(4,633)	(4,432)	(155)
(79)	Other Payments	-	-	-	-
-	Financing/interest expense	(3)	-	-	3
(4,377)	Total cash used	(11,371)	(12,242)	(11,946)	(871)
22	Net cash flows from operating activities	226	685	685	459
	Investing activities				
	<i>Cash used</i>				
(775)	Purchase of property, plant and equipment	(148)	(26,987)	(216)	(26,839)
(775)	Total cash used	(148)	(26,987)	(216)	(26,839)
(775)	Net cash flow used by investing activities	(148)	(26,987)	(216)	(26,839)
	Financing activities				
	<i>Cash received</i>				
561	Equity Investment from Org 40	283	26,987	216	26,704
1,089	Ministry Reorganisation 1 st July 2021	-	-	-	-
1,650	Total cash received	283	26,987	216	26,704
	<i>Cash used</i>				
-	Repayment of 2021 surplus to Org 40	(513)	-	-	-
-	Total cash used	(513)	-	-	513
1,650	Net cash flows provided/(used) in financing activities	(230)	26,987	216	27,217
897	Net increase/(decrease) in cash and cash equivalents held	(152)	685	685	837
-	Cash and cash equivalents at beginning of the year	897	629	629	(268)
897	Cash and cash equivalents at the end of the year	745	1,314	1,314	569

The accounting policies and notes on pages 10-37 form an integral part of these financial statements.

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Description and Principal activities

The Ministry of Sustainability and Climate Resiliency (“the Ministry”) commenced operations on 1 July 2021, following the General Election held on 14 April 2021. The Ministry is a Government owned entity as defined by section 2 of the Public Management and Finance Act (2020 Revision) (“the Act”) and it is domiciled in the Cayman Islands.

The departments that fall under the Ministry of Sustainability and Climate Resiliency are:

- Department of Environment
- Cayman Islands National Weather Service (CINWS)
- Hazard Management Cayman Islands (HMCI)

Its principal activities and operations include all activities carried out in terms of the outputs purchased by the Minister as defined in the Plan and Estimates for the Government of Cayman Islands for the fiscal year ending 31 December 2022.

The Ministry of Sustainability and Climate Resiliency has reported the activities and trust monies that it administers on behalf of Cabinet.

As the Ministry commenced operations on 1 July 2021 the prior year comparatives represent only a 6 month accounting period, during which time the Ministry was in a set-up phase.

Note 1: Significant Accounting Policies

(a) Basis of preparation

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board (IPSASB) using the accrual basis of accounting. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

Segment reporting has been included in accordance with IPSAS 18.

The financial statements have been prepared on a going concern basis and the accounting policies set out below have been applied consistently to all periods presented. The financial statements are presented in Cayman Islands dollars using the historical cost basis of accounting, except the revaluation method adopted for buildings. The figures used in the presentations have been rounded to the nearest thousand.

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2022 and not early adopted.

Certain new accounting standards have been published that are not mandatory for the 31 December 2022 reporting period and have not been early adopted by the Ministry. The Ministry's assessment of the impact of these new standards is set out below.

IPSAS 41, Financial Instruments was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the Ministry's financial statements. This will be assessed more fully in the next financial year.

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 42 defined social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured. It is anticipated that IPSAS 42 will not have a significant impact on the Ministry's financial statements. This will be assessed more fully in the next financial year.

IPSAS 43 issued in January 2022, amended the scope of IPSAS 16 by defining investment property to include both owned investment property and property held by a lessee as a right-of-use asset. IPSAS 43 introduces a right-of-use model that replaces the risks and rewards incidental to ownership model in IPSAS 13, *Leases*. For lessors, IPSAS 43 substantially carries forward the risks and rewards incidental to ownership model in IPSAS 13. IPSAS 43 has an effective date of January 1, 2025. Earlier application is permitted in certain circumstances. It is anticipated that IPSAS 43 will not have a significant impact on the Ministry's financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 44, Non-current Assets Held for Sale and Discontinued Operations was issued in May 2022. An entity shall apply this amendment for annual financial statements covering periods beginning on or after January 1, 2025. Earlier application is permitted. If an entity applies the amendments for a period beginning before January 1, 2025, it shall disclose that fact and apply IPSAS 44 at the same time. It is anticipated that IPSAS 44 will not have a significant impact on the Ministry's financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 44 specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. It requires assets that meet the criteria to be classified as held for sale to be:

- Measured at the lower of carrying amount and fair value less costs to sell and depreciation on such assets to cease; and
- Presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Changes in Accounting Policies

When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so. In the current period, there has been a restatement to comparative figures covering the six-month period ended 31 December 2021 (see Note 16).

(b) Financial Year

The financial year is the twelve (12) months ended 31 December 2022.

(c) Budget amounts

The original budget amounts for the fiscal year are as presented in the 2022-2023 Budget Statements and approved by the Parliament on the 8th December 2021.

The budget period is understood to be a two-year period; and in the case of these financials, extends from January 1, 2022 to December 31, 2023. It is understood that any appropriation remaining at the end of fiscal year 2022, can be carried forward and used in the 2023 financial period. These appropriations will lapse at December 31, 2023.

This is in accordance with the Public Management and Finance Act section 9(5) (2020 Revision) ("PMFA"); "an appropriation lapses at the end of budget period to which the Act by which the appropriation is granted relates".

(d) Judgments and Estimates

The preparation of financial statements in conformity with International Public Sector Accounting Standards requires judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in-transit and bank accounts with a maturity of no more than three months at the date of acquisition. When there is objective evidence that a financial asset or group of financial assets is impaired the losses are recognised as a loss in the Statement of Financial Performance.

(f) Prepayments

The portion of recognised expenditure paid in advance of receiving goods and/or services has been recognised as a prepayment.

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(g) Property, Plant and Equipment

Property, plant and equipment except land and buildings, is stated at historical cost less accumulated depreciation. Items of property, plant and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the Statement of Financial Performance in the year in which the asset is acquired.

Asset Revaluation

In accordance with IPSAS 17, when an item of property, plant, and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Property (land, buildings and structures) were revalued as at the 1 January 2021 by in-house professionals with the exception of specialized buildings which were contracted to independent evaluators and are stated at revalued amounts less accumulated depreciation. The next revaluation is set to take place on 1 January 2026.

Valuation methods

The property valuations have been prepared in accordance with the standards and the guidance notes provided by the Royal Institute of Chartered Surveyors (RICS). Particular regard should be paid to the following definitions and methodology having been adopted in the assessment of value:

- Fair Value (Market Value) defined in accordance with IFRS 13 Fair Value Measurement as follows: "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."
- Fair Value (Existing Use Value) extends the definition of Fair Value (Market Value) in "assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its market value to differ from that needed to replace the remaining service potential at least cost."
- Specialized Assets: specialized assets are those for which no market exists for the current use. Specialized assets are valued using the Depreciated Replacement Cost method (DRC valuation).
- The definition of 'Depreciated Replacement Cost', as contained in The Standards, is as follows: "The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization."

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

Valuation assumptions

Plant and machinery have only been included in the valuation of building assets where these form an integral part of the fabric of the building (e.g. lifts or air conditioning equipment) or where it performs a task crucial to the continuation of the existing use (e.g. swimming pools). Unless specifically stated otherwise, it is assumed that such items are reflected in the unit building cost.

It is assumed that all properties have the required planning consents and certificates for use and construction. Where Fair Value (or land value in a DRC valuation) relies on obtaining an alternative planning consent the alternative use has been derived from consideration of prevailing land uses in the immediate area and Local Planning Policies and practice.

Where an asset has been valued by Depreciated Replacement Cost (DRC) it is subject to the prospect and viability of the asset continuing to be used for the existing use. These valuations do not take into account any form of selling or purchase costs, tax (including Stamp Duty), inflation or finance costs. In Cayman, there is no tax on property except for Stamp Duty which is ordinarily required to be paid by a purchaser.

Valuations of each 'specialized building' state their total asset value and the (depreciated) value of the respective building. Those with a depreciated building value greater than \$500,000 also state figures for their 'component' parts. Buildings valued by the investment or comparison methods of valuation also state figures for their respective land values. These do not compute to reflect actual building values but indicate the inherent value attributing to the land only.

Where applicable, the remaining economic life of the building and/or building components has been indicated. This is the period during which the building element is anticipated to have a future useful economic life for its existing purpose.

In preparing the valuations, information has been obtained from the following sources:

- Cayman Islands Government 2001 Asset Register.
- Cayman Islands Government Land Registry Database
- Caymanlandinfo System (Mapping, aerial photography, evidence of comparable sales and lettings).
- Copies of and extracts from leases.
- Architect scaled floor plans.
- Ministries and users / occupiers of operational property assets.

Land areas (where stated) are provided for guidance only and are quoted from the Land Registers or otherwise from Caymanlandinfo database. Any building floor areas supplied have been obtained from one of the following sources:

- Measurements taken on site.

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

- Measurements extracted from Cayman Islands Government property records.
- Land and Buildings were revalued as entire classes of asset.

Depreciation is expensed on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment (other than land); less any estimated residual value, over its estimated useful life.

<u>Asset Type</u>	<u>Estimated Useful life</u>
• Buildings and structures	10 – 60 years
• Building fit-out (when accounted for separately)	5 – 25 years
• Leasehold Improvement	shorter of the unexpired period of the lease or the useful life improvement
• Computer Equipment	3 – 10 years
• Ministry equipment and furniture	3 – 25 years
• Motor vehicles	3 – 20 years
• Other equipment	5 - 20 years

Disposals

Gains and losses on disposals of property, plant and equipment are determined by comparing the sale proceeds with the carrying amount of the asset.

Gains and losses on disposals during the period are included in the Statement of Financial Performance.

(h) Employee Benefits

Employee entitlements relating to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognised in the Statement of Financial Performance when they are earned by employees. Employee entitlements to be settled within one year following the year-end are reported as current liabilities at the amount expected to be paid.

Pension contributions for employees of the Ministry of Sustainability and Climate Resiliency are paid to the Public Service Pension Fund and administered by the Public Service Pension Board (the “Board”). Contributions of 12% - employer 6% and employee 6% - on basic salary, acting allowance or duty allowance are made to the fund by the Ministry of Sustainability and Climate Resiliency.

Prior to 1 January 2000 the Board operated a defined benefit scheme. With effect from 1 January 2000, the Board continued to operate a defined benefit scheme for existing employees and a defined contribution scheme for all new employees. Obligations for contribution to defined contribution retirement plans are recognised in the Statement of Financial Performance as they are earned by

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

employees. Obligations for defined benefit retirement plans are excluded from these financial statements as they are centralized and therefore, reported in the Consolidated Financial Statements for the Entire Public Sector of the Cayman Islands Government.

(i) Revenue

Revenue is recognised in the accounting period in which it is earned. Revenue received but not yet earned at the end of the reporting period is recognised as a liability (unearned revenue). The Ministry of Sustainability and Climate Resiliency derives its revenue through the provision of services to Cabinet, to other agencies in government and to third parties. Revenue is recognised at fair value of services provided.

(j) Expenses

Expenses are recognised in the accounting period in which they are incurred.

(k) Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under the operating leases are recognised as expenses on a straight-line basis over the lease term.

(l) Financial Instruments

The Ministry of Sustainability and Climate Resiliency is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, trade and other accounts receivables and trade and accounts payable, all of which are recognised in the Statement of Financial Position.

Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents and receivables.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial instruments comprise of accounts payable, accrued expenses and surplus payable.

Recognition

The Ministry of Sustainability and Climate Resiliency recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets and liabilities are recognised in the Statements of Financial Performance.

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2022 (Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

Measurement

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition all financial assets are recorded at historical cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

Financial liabilities are subsequently measured at amortised cost, being the amount at which the liability was initially recognised less any payment plus any accrued interest of the difference between that initial amount and the maturity amount.

De-recognition

A financial asset is de-recognized when the Ministry of Sustainability and Climate Resiliency realises the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expired.

(m) Contingent Liabilities and Assets (including guarantees)

Contingent liabilities and assets are reported at the point the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are disclosed if it is probable that the benefits will be realised.

(n) Foreign Currency

Foreign currency transactions are recorded in Cayman Islands dollars using the exchange rate in effect at the date of the transaction. Foreign currency gains or losses resulting from settlement of such transactions are recognised in the Statement of Financial Performance.

At the end of the reporting period the following exchange rates are to be used to translate foreign currency balances.

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate at period-end date;
- Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported in Cayman Islands dollars using the exchange rate at the date of the transaction; and
- Non-monetary items that are carried at fair value denominated in a foreign currency are reported in Cayman Islands dollars using the exchange rates that existed when the fair values were determined.

(o) Revenue from Non-Exchange Transactions

The Ministry of Sustainability and Climate Resiliency receives various services from other government entities for which payment is made by the Cayman Islands Government. The Ministry of Sustainability and Climate Resiliency has designated these non-exchange transactions as Services in-Kind as defined under IPSAS 23- Revenue from non-exchange transactions. When fair values of such services can be reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2022 (Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

recorded in other income as a service in-kind. Where services in-kind offered are directly related to construction or acquisition of property, plant and equipment (PP&E), such service in-kind is recognized in the cost of the PP&E.

(p) Disclosure (Prior Period Restatement of Equity)

In the prior period, the revenue surplus repaid to Cabinet (org 40) included \$93k that should have been used to create a Grant reserve account to be used against grant expenditure in future years.

The 2021 figures relating to equity in the Statement of Financial Position have been restated for this prior period adjustment.

In addition to this, the prior period adjustment to the Statement of Changes in Networth is to recognize the creation of a Grant Reserve balance which reflects revenue earned in year through the receipt of grant funds with no conditions attached. The repayment of surplus figure was overstated by \$93k and the contributed capital was overstated by the same amount. The grant reserve at the end of 2021 was understated by \$147k, being the corresponding \$93k contributed capital in year, combined with a further \$54k of unused grant revenue which was transferred into the Ministry on inception and remained unused at 31 December 2021.

Note 2: Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank accounts in the name of the Ministry of Sustainability and Climate Resiliency maintained at Royal Bank of Canada and short term deposits invested with the Cayman Islands Government Treasury. As at 31 December 2022, the Ministry of Sustainability and Climate Resiliency's cash balances were as presented below. No restricted cash balances were held by the Ministry of Sustainability and Climate Resiliency at 31 December 2022.

Prior Year CI\$'000	Description	Current Year CI\$'000	Budget CI\$'000	Variance CI\$'000
885	Operational Current Account - KYD	630	1,314	684
12	Operational Current Account - USD	115	-	(115)
897	Cash and cash equivalents	745	1,314	569

Note 3: Trade receivables and other receivables

Prior Year CI \$'000	Trade Receivables	Current Year CI \$'000	Budget CI\$'000	Variance CI\$'000
954	Receivables from Cabinet and other Ministries	2,785	-	(2,785)
-	Less: provision for doubtful debts	-	-	-
954	Net Trade receivables	2,785	-	(2,785)

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 3: Trade receivables and other receivables (continued)

The trade receivables balance of \$2.8M, includes output receivables from Cabinet and other Ministries.

Prior Year CI \$'000	Maturity Profile	Current Year CI \$'000	Budget CI\$'000	Variance CI\$'000
875	Current	2,702	-	(2,702)
-	Past due 1-30 days	-	-	-
79	Past due 31-60 days	-	-	-
-	Past due 61-90 days	-	-	-
-	Past due 90 and above	83	-	(83)
954	Total Trade Receivables	2,785	-	(2,785)

Prior Year CI\$'000	Description	Current Year CI\$'000	Budget CI\$'000	Variance CI\$'000
187	Other Receivables	452	-	(452)
187	Total Other Receivables	452	-	(452)

Included in other receivables is \$334k in receivables from the Executive Ministry of Sustainability and Climate Resiliency (org 63) accounts relating to expenditure for the current fiscal year.

Prior Year CI \$'000	Maturity Profile	Current Year CI \$'000	Budget CI\$'000	Variance CI\$'000
187	Trade Receipts due in one year	452	-	(452)
187	Net Total Other Receivables	452	-	(452)

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 4: Property, plant and equipment

Cost of Property, plant & equipment	Land	Plant and equipment	Buildings	Furniture and Other Equipment	Computer Hardware	Office Equipment	Other assets	Infrastructure	Water reticulation	Motor Vehicles	Marine Vessels	Assets under construction or development	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 July 2021	1,007	1,240	885	206	385	239	48	433	9	1,013	1,020	581	7,068	6,487	6,487	(581)
Additions	100	91	226	3	53	0	0	0	0	228	15	64	779	3,308	3,328	2,529
Capitalized from WIP	-	114	6	0	16	0	0	0	0	0	0	(212)	(76)	-	-	76
Disposal/ Derecognition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	1,107	1,445	1,117	209	455	239	48	433	9	1,241	1,035	433	7,771	9,795	9,815	2,024

Accumulated Depreciation and impairment losses	Land	Plant and equipment	Buildings	Furniture and Other Equipment	Computer Hardware	Office Equipment	Other assets	Infrastructure	Water reticulation	Motor Vehicles	Marine Vessels	Assets under construction or development	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 July 2021	-	765	32	169	318	227	36	305	0	590	734	-	3,177	3,177	3,177	0
Eliminate on Disposal/ Derecognition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense	-	33	32	5	19	1	2	16	-	66	28	-	204	331	332	127
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	-	798	64	174	337	228	39	321	0	657	762	0	3,381	3,508	3,509	127

NBV Balance as at 1 Jul 2021	1,007	475	853	38	68	12	12	128	9	423	287	581	3,891	3,310	3,310	(581)
------------------------------	-------	-----	-----	----	----	----	----	-----	---	-----	-----	-----	-------	-------	-------	-------

NBV Balance as at 31 Dec 2021	1,107	646	1,053	36	118	11	10	112	9	584	273	432	4,353	6,287	6,306	1,897
-------------------------------	-------	-----	-------	----	-----	----	----	-----	---	-----	-----	-----	-------	-------	-------	-------

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 4: Property, plant and equipment (continued)

Cost of Property, plant & equipment	Land	Plant and equipment	Buildings	Furniture and Other Equipment	Computer Hardware	Office Equipment	Other assets	Infrastructure	Water reticulation	Motor Vehicles	Marine Vessels	Assets under construction or development	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 Jan 2022	1,107	1,445	1,117	209	455	239	48	433	9	1,241	1,035	433	7,771	7,586	7,586	(185)
Additions	0	20	29	0	48	3	0	0	0	3	29	10	142	26,969	198	26,827
Capitalized from WIP	0	45	0	0	2	0	0	0	0	3	0	(50)	0	0	0	0
Disposal/ Derecognition	0	0	0	0	(12)	0	0	0	0	0	0	0	(12)	0	0	12
Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0	(286)	(286)	(286)
Balance as at 31 Dec 2022	1,107	1,510	1,146	209	493	242	48	433	9	1,247	1,064	393	7,901	34,269	7,498	26,368

Accumulated Depreciation and impairment losses	Land	Plant and equipment	Buildings	Furniture and Other Equipment	Computer Hardware	Office Equipment	Other assets	Infrastructure	Water reticulation	Motor Vehicles	Marine Vessels	Assets under construction or development	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 Jan 2022	0	798	64	174	337	228	39	321	1	657	762	0	3,381	3,673	3,674	(292)
Eliminate on Disposal/ Derecognition	0	0	0	0	(12)	0	0	0	0	0	0	0	(12)	0	0	(12)
Depreciation Expense	0	87	58	9	58	3	4	33	1	159	57	0	469	672	652	(203)
Balance as at 31 Dec 2022	0	885	122	183	383	231	43	354	2	816	819	0	3,838	4,345	4,326	(507)

NBV Balance as at 31 Dec 2021	1,107	646	1,053	36	118	11	10	112	9	584	273	432	4,393	6,287	6,306	1,897
-------------------------------	-------	-----	-------	----	-----	----	----	-----	---	-----	-----	-----	-------	-------	-------	-------

NBV Balance as at 31 Dec 2022	1,107	625	1,024	26	110	11	5	79	7	431	245	393	4,063	29,924	3,153	25,861
-------------------------------	-------	-----	-------	----	-----	----	---	----	---	-----	-----	-----	-------	--------	-------	--------

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 4: Property, plant and equipment (continued)

Assets under Construction or Development

The “Assets under Construction or Development” category had opening balances as at 1 January 2022 that included \$369k relating to the new proposed National Weather Service Headquarters building which is due for completion in late 2024

The closing balance for “Assets under Construction or Development” as at 31 December included a total of \$379k relating to the new proposed National Weather Services Headquarters building.

Other Assets

The “Other Assets” category is largely comprised of scientific equipment for research purposes, and includes microscopes, a spectrophotometer, a barometer and an oceanic current tracking drogue.

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 5: Intangible Assets

Cost of Intangible Asset	Computer Software	Other Intangible Assets	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 July 2021	23	41	64	-	-	(64)
Additions	-	81	81	-	-	(81)
Balance as at 31 December 2021	23	122	145	-	-	(145)

Accumulated Amortization and impairment losses	Computer Software	Other Intangible Assets	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 July 2021	18	25	43	-	-	(43)
Amortization Expense	1	5	6	-	-	(6)
Balance as at 31 December 2021	19	30	49	-	-	(49)

Net Book value as at 1 July 2021	5	16	21	-	-	(21)
----------------------------------	---	----	----	---	---	------

Net Book value as at 31 December 2021	4	92	96	-	-	(96)
---------------------------------------	---	----	----	---	---	------

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 5: Intangible Assets

Cost of Intangible Assets	Computer Software	Other Intangibles	Total Intangibles	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 Jan 2022	23	122	145	335	335	190
Additions	8	0	8	304	8	296
Balance as at 31 Dec 2022	31	122	153	639	343	486

Accumulated Amortization and Impairment losses	Computer Software	Other Intangibles	Total Intangibles	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 Jan 2022	19	30	49	98	98	49
Amortization Expense	9	20	29	12	12	(17)
Balance as at 31 Dec 2022	28	50	78	110	110	32

Net Book value as at 31 Dec 2021	4	92	96	237	237	(141)
----------------------------------	---	----	----	-----	-----	-------

Net book value as at 31 Dec 2022	3	72	75	529	233	454
----------------------------------	---	----	----	-----	-----	-----

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 6: Trade payables, accruals and other liabilities

Prior Year	Description	Current Year	Budget	Variance
CI\$'000		CI\$'000	CI\$'000	CI\$'000
-	Trade Payables	120	-	(120)
44	Payroll Deductions	52	-	(52)
320	Accruals and Other liabilities	1,199	-	(1,199)
9	Core government trade with other public entities	10	-	(10)
-	Other	-	-	-
373	Total Trade Payables, Accruals and Other Liabilities	1,381	-	(1,381)

Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

Note 7: Employee entitlements

Prior Year	Details	Current Year	Budget	Variance
CI\$'000		CI\$'000	CI\$'000	CI\$'000
	<i>Employee entitlements are represented by:</i>			
145	Annual leave	105	29	(76)
-	Retirement and long service leave	-	316	316
17	Other	31	-	(31)
162	Total employee entitlements	136	345	209

The annual leave, retirement and long-service leave and other employee entitlements are calculated based on current salary paid to those employees who are eligible for this benefit.

Note 8: Surplus Payable.

As at 31 December 2022, the Ministry of Sustainability and Climate Resiliency is reporting a total surplus payable in the amount of \$507k (2021: \$513k). The Ministry's original budget was to break even and therefore the change in surplus payable is unaccounted for. In accordance with the requirements of section 39 (3) of aforementioned Act, the Ministry is required to repay the surplus generated to the Ministry of Finance.

In 2022 a payment of \$513k was made to Ministry of Finance in this respect, however only \$420k of this surplus was in relation to surplus achieved through Output Funding, and the remainder of \$93k was in relation to unspent grant funding, which should have been kept in a grant reserve. The Statement of Changes in Net worth and the Statement of Financial Position for 2021 have been restated to show this (see Note 16).

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 9: Revenue

Prior Year CI\$'000	Description	Current Year CI\$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance (Original vs Actual) CI\$'000
5,248	Outputs to Cabinet	12,658	12,927	12,631	269
94	Donations	50	-	-	(50)
25	Royalties	-	-	-	-
1	Other	-	-	-	-
5,368	Total Sale of Goods & Services	12,708	12,927	12,631	219

Outputs to Cabinet

Outputs to Cabinet comprise of goods delivered to and services performed on behalf of the Cayman Islands Government.

Donations

Donations consist of money received through grants to the Department of Environment. The funds are recognized as revenue in accordance with IPSAS standards.

Also included in Donations are monies received under the “Queen’s Jubilee Tree planting programme” which was launched as a Ministry project during the 2022 financial year. The programme aimed at planting seventy (70) trees across each of the 19 constituencies through the Cayman Islands to commemorate the Platinum Jubilee of the late Queen Elizabeth II.

In its early stages, the local programme was aligned with the “Queens Canopy” project which also launched in the United Kingdom during 2022, in celebration of the late Queen’s Platinum Jubilee.

Note 10: Personnel costs

Prior Year CI\$'000	Description	Current Year CI\$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance (Original vs Actual) CI\$'000
2,536	Salaries, wages and allowances	5,453	5,882	5,839	429
477	Health care	1,190	1,378	1,334	188
131	Pension	284	324	322	40
(30)	Leave	(30)	-	-	30
3	Other Personnel related costs	101	25	18	(76)
3,117	Total Personnel Cost	6,998	7,609	7,513	611

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 11: Supplies and consumables

Prior Year CI\$'000	Description	Current Year CI\$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
154	Supplies and Materials	255	302	298	47
800	Purchase of services	3,446	3162	3,015	(284)
61	Utilities	115	141	130	26
35	Leases	74	81	80	7
15	Travel and Subsistence	102	81	81	(21)
10	Recruitment & Training	33	85	75	52
90	Interdepartmental expenses	128	125	125	(3)
363	Other	423	656	628	233
1,528	Total Supplies & Consumables	4,576	4,633	4,432	57

Supplies and Consumables included work with a number of private entities rendering expert professional services (mainly financial and legal) in which the Ministry incurred related expenditure through purchase of services. The largest expenses in these services related to the Regen Project.

Other expenses is largely made up of Research and Development costs (\$370k) which involves research projects in areas of conservation and environmental issues. Other expenses also includes amounts relating to conferences, local promotions and travel.

Note 12: Gains and Losses on Foreign Exchange Transactions

Prior Year CI\$'000	Description	Current Year CI\$'000	Budget CI\$'000	Variance CI\$'000
1	Net gain/ (loss) on foreign exchange transactions	(2)	-	2
1	Total Gain/(Losses)	(2)	-	2

During the period the Ministry disposed of computer equipment that had been fully depreciated and was used for Hazard Management. Approval was obtained to dispose of these assets and there was no net gain or loss.

Note 13: Revenue from Non- Exchange Transactions

During the year ended 31 December 2022, the Ministry of Sustainability and Climate Resiliency received services in-kind in the form of accommodation in the central government building, computer repairs and software maintenance by the computer services department. The fair value of these services cannot be determined and therefore no expense has been recognized in these financial statements.

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 14: Related party and key management personnel disclosures

Related party disclosure

The Ministry of Sustainability and Climate Resiliency is a wholly owned entity of the Government from which it derives a major source of its revenue. The Ministry of Sustainability and Climate Resiliency and its key management personnel transact with other government entities on a regular basis. These transactions were provided free of cost during the twelve (12) months ended 31 December 2022 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Key management personnel

There are seven (7) members of staff at the senior management level as at December 2022 (2021: 6). Two of these individuals are shared with other government entities. The cost and benefits related to these shared services are included in the table below. No loans were granted to key management personnel or their close relatives during the fiscal year.

Prior Year CI\$'000	Description	Current Year CI\$'000
415	Salaries & other short term employee benefits	874
415	Total Remuneration	874

Note 15: Explanation of major variances against budget

The Ministry of Sustainability and Climate Resiliency's performance is compared between actual balances as at December 31, 2022 and the original budget for the financial year. These variances will be explained as it relates to the financial statements.

Additionally, it is noted that the actual budget for the financial year was decreased and the variance between the original budget and final budget is explained below.

Variance between Original Budget and Final Budget

The original budget for the fiscal year ending December 31, 2022 was CI\$12.9M.

The "Final Budget" within this document has been updated to reflect a reduction to Outputs relating to supplies and consumables under the Ministry. The change was approved by the Cabinet and subsequently tabled at the Parliament in December 2022 through a Supplementary Appropriation Bill.

The "Final Budget" has also been updated to reflect the unused budget which is being carried forward into 2023, this is detailed further in Note 25.

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 15: Explanation of major variances against budget (continued)

Statement of financial performance

Sales of goods and services

The majority of sales of goods and services is revenue from Outputs delivered to the Cabinet (\$12.6M). This represented the majority of the revenue earned by the Ministry. Overall sales of goods and services were slightly below the original budget of \$12.9M or 2%.

Personnel Costs

At 31 December 2022, the Ministry recorded total personnel costs of \$7M. This figure was \$611k (8%) lower than the original budget of \$7.6M. While there were savings across the Ministry from a number of unfilled positions; these savings were partially offset by an overall increase in personnel costs resulting from a salary scale adjustment in September 2022 and a cost of living adjustment (CoLA) in December 2022. This resulted in an effective increase of 4.5% across salaries, wages and allowances and pensions at the time that the changes came into effect.

Supplies and Consumables

During the year, the Ministry of Sustainability and Climate Resiliency had lower supplies and consumables expenditure when compared to the original budget. The net difference between the original budget and the actual spend in year for this category of accounts was (\$57K).

The largest area of underspend was related to other expenses due to the offset of research and development costs (\$233k) through the use of grant revenue received and in reserve. Other areas of underspend include lower recruitment and training costs (\$52k), lower supplies and materials (\$47k) and lower utilities (\$26k). These were as a result of better management of resources.

This positive variance was offset by higher than budgeted expenditure in the Purchase of Services, which was 9% (\$284k) higher than the anticipated spend. This is directly resulting from a higher than budgeted spend in the area of professional fees relating to the ReGen Project and the Green Iguana Control project managed by the Department of Environment.

Professional fees associated with the ReGen Project are specifically in relation to legal and financial advice in order to progress the project to the financial close stage. This resulted in professional fees being \$714K higher than the budget. This overage was offset by major savings in other supplies and consumables accounts, namely Special Projects and Special Conferences. Costs in these areas were \$196K lower than the original combined budget of \$206k.

Cash and cash equivalents

The actual cash balances at 31 December 2022 were \$745k; which was \$569k below the original budget. The original budget of \$1.3M was an estimate based on cash transferred in with the departments in 2021.

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 15: Explanation of major variances against budget (continued)

The recorded balance is based on the use of cash over the course of the reporting period during the conducting of normal business activities. The cash balance at 31 December 2022 includes \$531k of unearned revenue attributed to the Resembid grant (see Note 19).

Statement of financial position

Trade receivables

The actual trade receivables balance (due in one year) at 31 December 2022 was \$2.8M. There was no provision made for doubtful debt as it was anticipated that the funds would be collected shortly after the period close. These funds largely relate to uncollected receivables from Outputs to Cabinet. This amount was higher than the budget by the same amount as the Ministry did not budget for trade receivables.

Other receivables

Other receivables were \$452k. These balances largely consist of amounts owed from the Executive Ministry of Sustainability of Climate Resiliency. The majority of these monies were collected within the first quarter of the 2023 fiscal year. This was higher than the budget by the same amount as the Ministry did not budget for other receivables.

Accruals and other liabilities

Accruals and other payables was \$1.3M at 31 December 2022. These relate largely to professional fees for the ReGen project. The professional fees are specifically in relation to legal and financial advice in order to progress the project to the financial close stage. The vendors had not billed for the full year of 2022 in advance of year end.

Employee Entitlements

The employee entitlement balance as at December 31, 2022 was \$136K. This resulted from accrued leave owed to staff, as well as the accrued pension attributed to these balances. The balance at the financial year end was \$209K lower than the original budget amount of \$345K. The variance is mainly due to better managed leave during the 2022 financial year.

Repayment of Surplus

The surplus payable as at 31 December 2022 was \$507K. This was lower than the budget by the same amount as the Ministry does not budget for a surplus or any change in the surplus payable. The accumulated surplus payable relating to the prior year was paid back to Cabinet (org 40) during the 2022 fiscal year.

The Ministry of Sustainability and Climate Resiliency is party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and bank balances, accounts receivable, debtor-Cabinet and creditors and other payables. The fair value of financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 15: Explanation of major variances against budget (continued)

As at 31 December 2022, the forecasted carrying value of cash and cash equivalents, trade and other receivable, trade and other payable and employee entitlements approximate their fair values due to their relative short-term maturities. Fair values estimates are made at a specific point in time, based on market conditions and the information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.

Cash Flow Statement

Cash and cash equivalents at 31 December 2022, was \$745k which represents a decrease in cash and cash equivalents held at the beginning of the year of \$152k. The budgeted change was for an increase of \$685k, the main reason for this difference is that a significant amount of revenue from Cabinet due from sale of outputs was in receivables at year end.

Statement of Changes in Net Worth

Total Net Worth as at 31 December 2022 was \$5,654k, this is \$25,768k less than the original budgeted amount of \$31,422k. The original budget included an equity injection of \$21,657k for the ReGen project, however this budget was transferred to the Executive to form part of Executive Assets owned by the Cayman Islands Government (CIG). The remainder of the difference relates to equity injections delayed due to slower than anticipated progress with capital projects, primarily the new Headquarters building for the Cayman Islands National Weather Service.

Credit risk

In the normal course of its business the Ministry of Sustainability and Climate Resiliency is subject to credit risk from cash held with its banker, RBC Royal Bank (Cayman Islands) and debtors other than the Government. The Ministry of Sustainability and Climate Resiliency does not have significant concentrations of credit risk for its other financial instruments.

Currency and interest rate risk

The Ministry of Sustainability and Climate Resiliency has no significant exposure to currency exchange loss risk and interest rate risk.

Liquidity risk

In meeting its liquidity requirements, the Ministry of Sustainability and Climate Resiliency closely monitors its forecast cash requirements with expected cash drawdowns from Cabinet and receipts from third parties. The Ministry of Sustainability and Climate Resiliency maintains a target level of available cash to meet liquidity requirements.

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 16: Restatement for Prior Period

In the prior period the revenue surplus included \$93k repaid to Cabinet (org 40), that should have been used to create a Grant reserve account to be used against grant expenditure in future years. The 2021 figures relating to equity have been restated for this prior period adjustment.

The prior period adjustment to the Statement of Changes in Networth is to recognize the creation of a Grant Reserve balance which reflects revenue earned in year through the receipt of grant funds with no conditions attached. The repayment of surplus figure was overstated by \$93k and the contributed capital was overstated by the same amount. The grant reserve at the end of 2021 was understated by \$147k, being the corresponding \$93k contributed capital in year, combined with a further \$54k of unused grant revenue which was transferred into the Ministry on inception and remained unused at 31 December 2021.

As a result, the Prior Period figures for period ending 31 December 2021 have been adjusted to reflect this restatement. The effects on these financial statements are as follows:

	2021 Restatement \$'000	2021 Prior to Restatement \$'000	Effect of Restatement \$'000
Statement of Financial Position			
Grant Reserve	147	-	147
Repayment of Surplus	420	513	(93)
Contributed Capital	4,699	4,752	(53)
Statement of Changes in Net Worth			
Grant Reserve	147	-	(147)
Contributed Capital	(53)	-	53
Accumulated Surplus	(93)	-	93

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 17: Segment reporting

	Policy Advice and Support		Hazard Management		Environment		Weather Services		Grand Totals	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Revenue	425	3,433	692	1,355	3,338	6,046	914	1,874	5,369	12,708
<i>Cabinet Revenue</i>	425	3,413	692	1,355	3,218	5,989	914	1,874	5,249	12,631
<i>Third Party Revenue</i>		20	-	-	120	57		-	120	77
Expenses	430	3,429	669	1,345	2,990	5,572	766	1,854	4,856	12,201
<i>Personnel Costs</i>	403	1,108	380	876	1,678	3,638	656	1,375	3,117	6,998
<i>Supplies and Consumables</i>	27	2,316	251	352	1,172	1,642	79	395	1,529	4,705
<i>Depreciation</i>		5	39	117	140	292	31	84	210	498
Surplus/(Deficit)	(5)	4	23	10	348	474	148	20	513	507
Assets	2,716	4,642	443	380	2,703	2,480	725	739	6,587	8,241
<i>Non-current Assets</i>	1,543	1,393	299	306	2,074	1,864	573	575	4,489	4,138
<i>Current Assets</i>	1,173	3,249	145	74	629	616	152	164	2,098	4,103
	(655)	(2,179)	(47)	(102)	(171)	(195)	(82)	(111)	(955)	(2,587)
Liabilities	(655)	(2,179)	(47)	(102)	(171)	(195)	(82)	(111)	(955)	(2,587)

The comparative data included for financial year 2021 includes figures for the six month period ending December 31, 2021. The segments and respective functions reported on within the Ministry of Sustainability and Climate Resiliency are highlighted below:

Policy Advice and Support

- To promote sustainability across all Ministries, Departments, Units and Sections in Government;
- To promote and encourage the sustainable use of our natural resources and the preservation of our natural environment
- To support investment in renewable energy
- To conduct public education initiatives and develop incentives to encourage residents to be energy efficient
- To increase public education and awareness of the impacts of climate change on the Cayman Islands

**MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)**

Note 17: Segment reporting (continued)

Emergency Response – Hazard Management Cayman Islands

- To provide support to the Government in enhancing the country's resilience to disasters through an informed public.
- To facilitate the strengthening of community resilience through organization and training

Environment – Department of Environment

- To increase protection of marine and terrestrial habitats
- To continue to address the threat of alien invasive species,
- To facilitate the continued, comprehensive implementation of the National Conservation Act
- To assist in the development of national Climate Change and sustainability strategies.

Weather Services– Cayman Islands National Weather Service

- To establish and maintain a national network of meteorological and seismic stations as necessary;
- To forecast weather conditions and the state of the atmosphere;
- To provide information and advice on meteorological and climate matters;
- To provide information and advice to the Governor in Cabinet of severe weather conditions likely to affect the safety of human life or property in the Islands;
- To provide meteorological services in order to ensure the safety and efficiency of aviation and marine services;
- To provide meteorological data and advice for weather sensitive national development projects and other important weather sensitive economic activities;
- Collect, collate, compile, record, archive and make available meteorological reports and information;
- Arrange means of communication for the transmission and reception of meteorological reports and information in the Islands or outside the Islands.

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 17: Segment reporting (continued)

- Promote the advancement of meteorological science by means of meteorological research and investigation or otherwise;

Note 18: Provisions and contingent Liabilities

Provisions are recognized in the financial statement in relation to pending litigations against the Ministry. At 31 December 2022, no provisions have been recognized in the financial statements.

Note 19: European Union funding from Expertise France for the Caribbean OCTs Resilience, Sustainable Energy and Marine Biodiversity Programme (RESEMBID) Project

On 10 October 2022, the Ministry of Sustainability and Climate Resiliency was awarded a grant monies from Expertise France for the Caribbean OCTs Resilience, Sustainable Energy and Marine Biodiversity Programme (RESEMBID) Project. The amount of the European Union funding was EUR 1,216,864. The project has two components, the Residential Building Efficiency Programme (EUR 878,300), and the Public Sector Building Energy Efficiency Programme (EUR 338,564). The award is intended to fund activity over a period of 15 months to undertake a pilot project to increase energy efficiency measures in residential and public sector buildings. As at 31 December 2022, no expenses had yet been incurred in relation to this grant, however the first payment of EUR 531k (CI\$531k) had been received. This was included in unearned revenue and cash balances along with an amount of \$32k for other grants.

Note 20: Capital Commitments

As at 31 December the Ministry has "Assets under Construction or Development" closing balances of \$396k which included \$379k for the new National Weather Service Headquarters building. The Ministry has a total budget of \$3M for the remaining budget period for the completion of this project.

Note 21: Other Commitments

As at 31 December 2022 the Ministry had one multi - year contract for project management services for control of invasive species (management of the green iguana culling programme). The contract is due to expire in December 2023, and has an option to extend for up to a further two years. The estimated costs of the project manage contract for the two years leading up to 31 December 2023 are \$446k, however overall costs will vary based on iguana culling activity.

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 22: Events Occurring After Reporting Date (31 December 2022)

The CIG projects that inflation will continue to rise as the global economy continues to manage the impact of the pandemic. As such the Ministry anticipates overall higher than budgeted costs for goods and services to continue in fiscal year 2023.

In April 2023, in accordance with section 11(5) Public Management and Finance Act (2020 Revision), the Cabinet authorized the reallocation of \$21,657k of the Ministry's approved 2022 budgeted funds to be transferred from EI 84 - Equity Investments under the Ministry of Sustainability and Climate Resiliency to a new EA 165 George Town Landfill Remediation Works which forms part of Executive Assets owned by the Cayman Islands Government (CIG).

Other than this, management is not aware of any other occurrences subsequent to the reporting date which will have an impact on the financial statements at 31 December 2022.

Note 23: Multi Year budget

The government operates a two-year budget appropriation cycle. Under Section 9(5) of the Public Management and Finance Act (2020 Revision), unused budget in the first year can be moved forward and used in the execution of the deliverables in the second year, in addition to the approved budget of the second year. The transferred budget is added to the budget allocation of the second year to form the new original budget for that year.

Similarly, Section 9(5) of the Public Management and Finance Act (2020 Revision) also allows for funds to be brought forward from the second year to form the new original budget for that year. At the end of the fiscal year 2022, \$271k in unused operating expense budget was carried forward to 2023 (See Note 24). Additionally, in March 2022, the Cabinet authorized the reallocation of \$25k of the Ministry's approved 2022 budgeted funds to be transferred. These funds were used to assist with settlement claims relating to a legal matter and the transfer is in accordance with section 11(5) Public Management and Finance Act (2020 Revision).

At the end of the fiscal year 2022, \$5,114k in unused Capital budget was carried forward to 2023 (See Note 24). Additionally, in accordance with section 11(5) Public Management and Finance Act (2020 Revision), the Cabinet authorized the reallocation of \$21,657k of the Ministry's approved 2022 budgeted funds to be transferred from EI 84 - Equity Investments under the Ministry of Sustainability and Climate Resiliency to a new EA 165 George Town Landfill Remediation Works which forms part of Executive Assets owned by the Cayman Islands Government (CIG). These funds are to be used as part of the ReGen works.

The final operating budget for 2022 was therefore adjusted from an original operating budget of \$12,927k to a final operating budget of \$12,631k, and the final capital budget for 2022 was therefore adjusted from an original capital budget of \$26,987k to a final capital budget of \$216k.

MINISTRY OF SUSTAINABILITY AND CLIMATE RESILIENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 24: Changes to the Budget

The final budget is adjusted for amounts approved under Section 9(5) and Section 11(5) of the Public Management and Finance Act (2020 Revision)

Description	Operating Expenditure \$'000	Capital Expenditure \$'000
2022 Original Budget	12,927	26,987
Section 11(5)	(25)	(21,657)
Section 9(5) Carry forward to 2023 by Output	(271)	(5,114)
Final Budget	12,631	216

Note 25: Carry Forward FY 2022 Budget

At the end of the financial period ending December 31, 2022, the Ministry had total unspent operational budget of \$271k and total unspent capital funding of \$5.1M (see Note 23 and Note 24). In accordance with the PMFA (2020 revision), the Ministry is intending to carry forward these amounts.

APPROPRIATION	Actual FY2022	Original Budget	Final Budget	Carry Fwd FY2023	Explanation
	'000	'000	'000	'000	
SCR 2 - National Disaster Preparedness and Response Services	1,355	1,626	1,355	271	This relates to recruitment planned in 2023, and software relating to the flood sensor project where there have been delays with certain items as the local networks need to be 5G compliant for the project. It is anticipated that this will happen in early 2023.
Total	1,355	1,626	1,355	271	
EQUITY INJECTION (CAPITAL)					
Equity Injection - EI 84	216	26,987	216	5,114	This relates to delays with the CINWS Headquarters building and Automatic Weather Station Network. Both of these projects should see significant progress in 2023. There are also amounts relating to the renovations for the Cayman Islands Environment Centre which are also expected to be completed in 2023.
Total	216	26,987	216	5,114	



Ministry of Sustainability & Climate Resiliency

Cayman Islands Government



Contact Us

Government Administration Building
PO Box 140
133 Elgin Avenue
Grand Cayman KY1-9000
CAYMAN ISLANDS

Telephone: (345) 244-2466

gov.ky/sustainability